THE SECOND DAY.

Tuesday, The 26th February 1929.

The Assembly met again at 11-30 A. M. on Tuesday, the 26th February 1929 and the consideration of the subjects. according to the list distributed among the members on the previous day, was taken up.

1. Administration of the State-aided Bank.

Mr. MALIYAKAL MANI ABRAHAM (*Member, Mercantile and Trading Classes, Kottayam*) said that it was very doubtful how far the State-aided Bank was serving the purpose for which it was intended by the Government. The big merchants and the small banking concerns of the country still depended upon the Imperial Bank of India, the Nedungadi Bank and the Indian Bank. As for smaller merchants, they had their dealings only with the several private banks in the country. The State-aided Bank was thus practically of little use either to the merchants or to the private banking concerns of Travancore. Nor was the bank of any help in redeeming the indebtedness of the agriculturists of the land, to whom it was long expected that it would issue long-term loans at low rates of interest. The way in which the bank carried on business in competition with the private banks, utterly regardless of the interests of the latter, was sure to ruin these indigenous concerns.

The working of the bank did not also make for its own welfare. Under the rules, every one who was a director in any other bank was debarred from becoming a director in the State-aided Bank. The directors of the bank were thus persons who had no experience in banking, with the result that the bank had even in the very first few years sustained heavy losses on account of bad debts etc. Much money was also wasted on the travelling allowance of the directors and the members of the managing board of the bank. Another defect in the working of the bank was the way in which shares in it were being sold out to foreigners.

The following reforms were therefore desirable in the constitution and method of working of the State-aided Bank. The bank should be developed as a bankers' bank. Government should keep in their own hands shares to the value of their contribution to the bank and these shares should be sold at par to *bona fide* Travancoreans. A scheme should be devised for affording assistance to every bank in the State. A conference should be held of the Dewan, the present directors of the State-aided Bank, and not less than five bankers of standing unconnected with the State-aided Bank to devise measures for the re-organisation of the State-aided Bank and for the encouragement of the several private banks in this State.

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DEWAN'S REPLY: Mr. Abraham, I am afraid you have rather mistaken the functions of this Assembly, and that you have forgotten to what body you are speaking. I should imagine that all that you have said today might be quite relevant at a general meeting of the share-holders of the State-aided Bank. As it happens, this Assembly is not a general meeting of the share-holders of the State-aided Bank. The State-aided Bank lives and has its being entirely apart from the Government. It is governed by its Memorandum and Articles of Association. In these the Government—now that the bank has come into being and is carrying on work—have nothing whatsoever to do neither as to the directors who are elected by the general body of share-holders nor in the appointment of the Manager which is entirely in the hands of the directors; nor in the matter of the way in which it conducts its work. I would therefore suggest that you and others who think with you acquire a large block of shares in the State-aided Bank and with the vote you will thus command, make your representations at the next general meeting and repeat them at as many successive general meetings as you find it necessary and convenient, to induce the Bank to accept your views and ideas.

2. The advisability of making Chengannur the head-quarters of the Tiruvalla taluk, or in the alternative, constituting Chengannur into a separate taluk with a sub-treasury of its own.

MR. T. K. THOMAS (*Member, Tiruvalla taluk, Group II*) said that in point of population, revenues and literacy the taluk held a position unique among the various taluks of the State. But the officers as much as the people of the taluk were at a great disadvantage in one respect, *viz.*, in regard to the location of its head-quarters in the Tiruvalla pakuthi at the north-western end of the taluk. The member illustrated his point by reference to a sketch-map which, he said, showed clearly that the geometrical centre of the taluk was at Chengannur and hence Chengannur was the best fitted place for being the head-quarters of the taluk. Besides, Chengannur was the seat of the Division Assistant, the Assistant Inspector of Schools, the Excise Inspector and the Sanitary Circle Officer. It would therefore facilitate the work of these officers and of the public to a great extent if all the offices were centralised at Chengannur.

The absence of a sub-treasury at Chengannur caused no small inconvenience to the public and to the officers. The latter, of whom, as had already been stated, there were many at the place had to make remittances and draw bills almost every day. They alone realised the inconvenience and trouble to which they were put by the absence of a sub-treasury.

If the head-quarters of the taluk could not for any reason be shifted to Chengannur, then Government might divide the taluk into two parts each with separate head-quarters and with a separate sub-treasury. The taluk comprised at present no fewer than twenty-seven pakuthies

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